4th February 1936]

Appendix V.

[Vide answer to question No. 718 asked by Mr. G. Rameswara Rao at the meeting of the Legislative Council held on the 4th February 1936, page 451 supra.]

(F) *Sales.*—(1) Official Receivers should under no circumstances bid at sales of the properties of insolvents nor should they acquire, either directly or indirectly, any interests in the purchase of such properties.

(2) It has been brought to the notice of the High Court that parties are liable to inconvenience and hardship if Official Receivers conduct sales of properties of insolvents during the summer recess or other holidays including Sundays, as the parties cannot move the Courts concerned to stay or revise the Official Receivers' acts while the Courts are closed. The High Court considers that the practice, where it exists, should be stopped, and accordingly directs that Official Receivers should not conduct sales or proceed with execution work generally during holidays including the recess allowed to them.

(3) The High Court is opposed to the holding of sales of property by Official Receivers during the summer recess or on a holiday and therefore declines to modify its Circular Dis. No. 1238, dated 25th July 1918.

(4) In auction sales, a right to adjourn an auction should always be reserved in the conditions of sale if there are not sufficient bidders or if the highest bid is not adequate. If there are not sufficient bidders, the High Court directs that, except when creditors with substantial interests are present and agree that the amount of the bid is adequate,

(*a*) the first auction should always be adjourned to secure more bidders; and

(*b*) a second auction should also be adjourned if the amount of the bid is less than half the upset price.

(5) When a sale is adjourned for more than a week there ought to be a fresh proclamation. If not a fresh proclamation, at least there ought to be fresh notices to the creditors. There ought to be something to convince one that the amount realized in the sale did not suffer a diminution for want of publicity of the adjourned date.

Appendix VI.

[Vide answer to question No. 719 asked by Mr. G. Rameswara Rao at the meeting of the Legislative Council held on the 4th February 1936, page 452 supra.]

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4. (*b*) A second auction should also be adjourned, if the amount of the bid is less than half the upset price.